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1994 AMA SURVEY ON WORKPLACE DRUG TESTING AND DRUG ABUSE POLICIES

A Research Report published
exclusively for corporate members of the
American Management Association

AMA Research Reports

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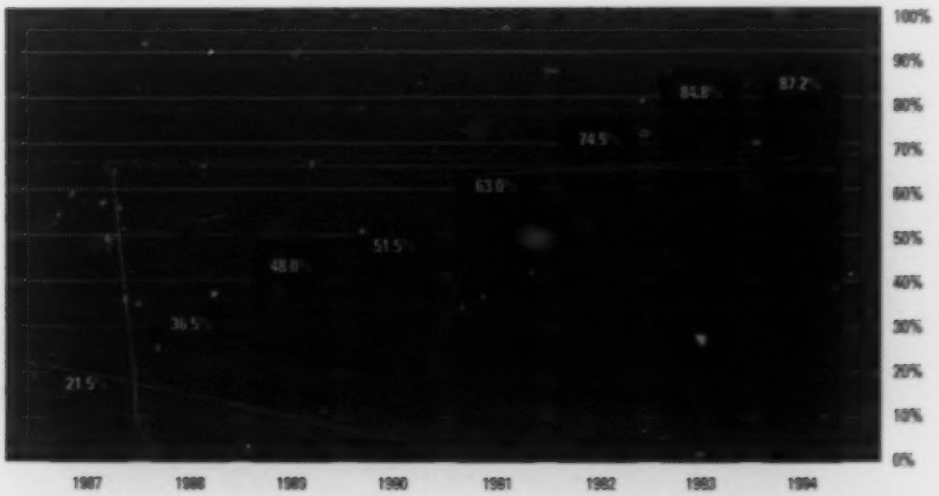
WORKPLACE DRUG TESTING AND DRUG ABUSE POLICIES

The dramatic rates of increase that have marked corporate drug testing in recent years, and the accompanying decrease in test-positive ratios for both employees and new hires, came to a halt in 1993. The share of surveyed organizations that test for drugs rose a mere 2.4 percent, to 87.2 percent in January 1994 from 84.8 percent a year earlier — the slightest rise in the eight years of AMA survey activity in this area.

WORKPLACE DRUG TESTING, 1987-1994



This year's report must be read with a sharp eye to the realities of statistical sampling. The 1994 survey found a lesser share of respondent firms engaged in such key activities as testing of job applicants and periodic or random testing of current employees than reported in 1993. It is important to bear in mind that these findings do **not** confirm an actual decrease in these practices. The margins of error in both the 1993 and 1994 samples were +/- 3.5 percent; the year-to-year differences we report in these and other areas are within that margin.

The findings **do** confirm a pause in the exponential growth of these policies and practices since 1987. That pause may well prove temporary; new Department of Transportation regulations will double the number of mass transit workers, interstate truckers, and bus drivers that will be tested in 1994.

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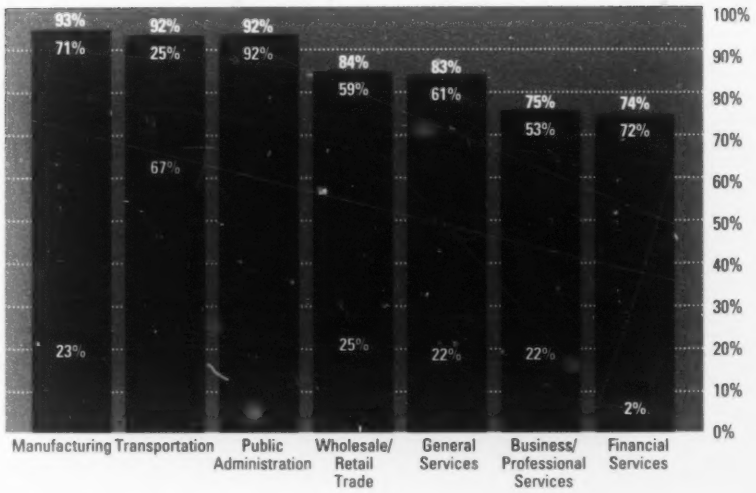
Summary of Key Findings

Regulations promulgated in the late 1980s by the Departments of Transportation and Defense, the practical effects of the 1989 Federal Drug-Free Workplace Act, and recent state and local legislation have targeted the transportation industry and public employees, as well as manufacturers, wholesalers, and retailers whose activities often include the transportation of goods.

Test Without Requirement

Required to Test

DRUG TESTING — BY BUSINESS CATEGORY

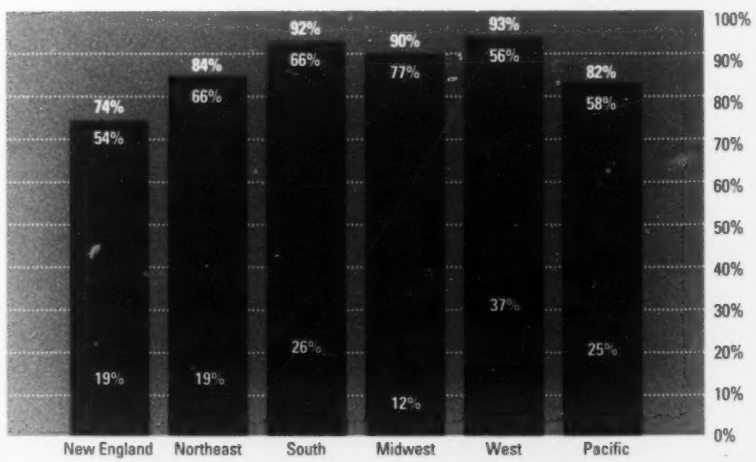


These regulations, which are especially prevalent in the South and the West (which includes Texas and Oklahoma as well as the desert and mountain states), account in part for the higher levels of testing practiced there.

Test Without Requirement

Required to Test

DRUG TESTING — BY GEOGRAPHICAL REGION



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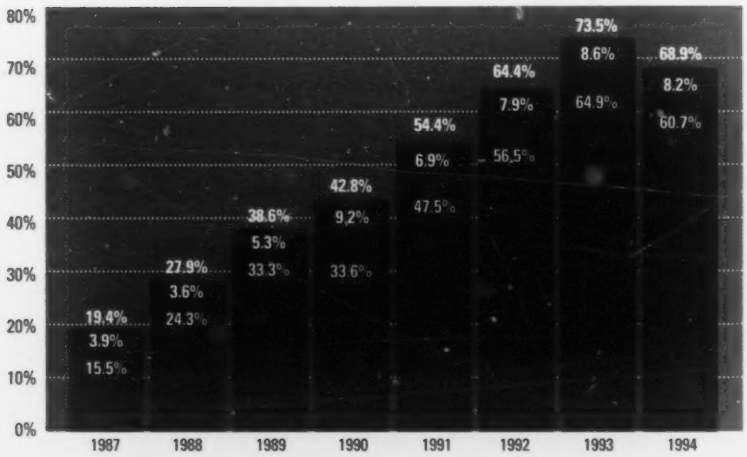
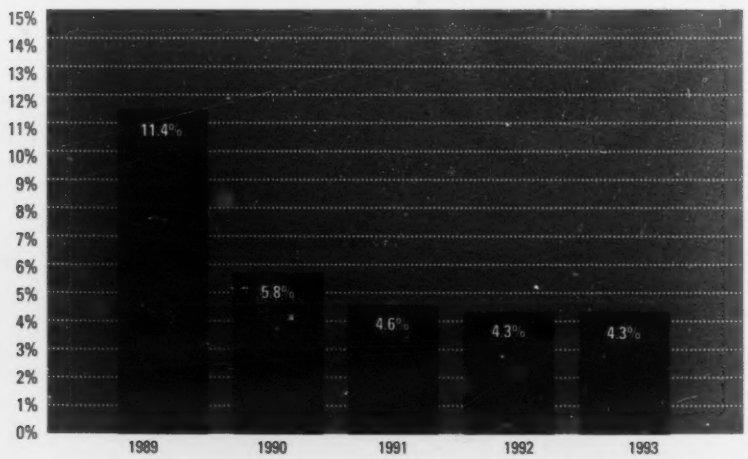
TESTING JOB APPLICANTS, 1987-1994



Testing Job Applicants

The reported 4.6% decline from 1993 to 1994 in testing job applicants is within the margins of error for both years' samples and does not indicate an actual decrease in pre-employment testing (see page 1). It does signal an end to the growth in universal pre-employment testing (i.e., testing **all** new hires), which increased fourfold from 1987 to 1993.

TEST-POSITIVE RATES (JOB APPLICANTS)



The steadying rates of universal testing brought a halt to the ever-increasing testing pool that pushed applicant test-positive ratios downward from 1989 to 1992.

Only one percent of firms that test job seekers will hire test-positive applicants on a probationary basis; three percent take "other" actions that include retesting at a later date. The rest withdraw the job offer.

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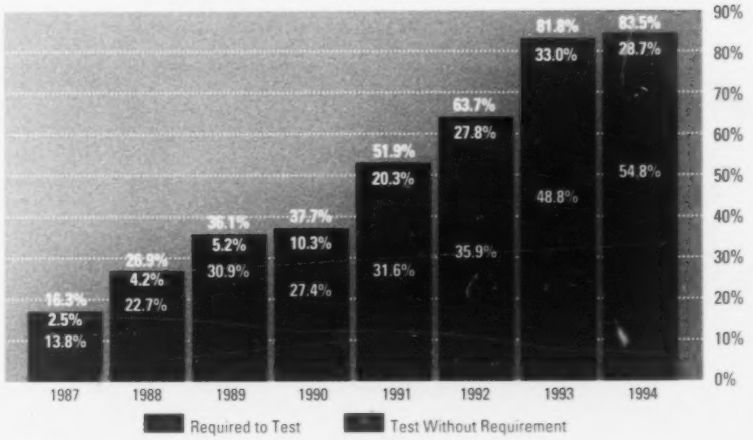
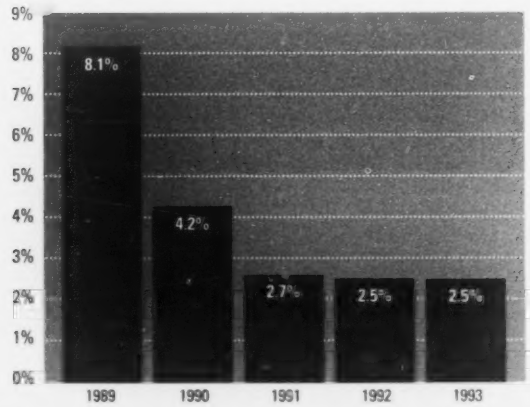
Testing Current Employees

From 1987 to 1993, the share of companies practicing periodic or random testing of employees increased by some 1,200%, but the 1994 findings show a slight decline, to 29% from 33% (within the sample's margin of error). While in 1993 practitioners reported testing an average 41% of covered employees, that figure dropped to 34% in 1994. This is one of a number of indications that corporate drug testing has entered a period of readjustment in terms of the selection and number of employees subject to annual testing.

TESTING CURRENT EMPLOYEES, 1987-1994

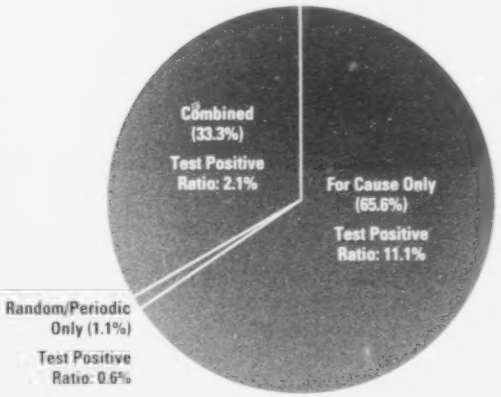


TEST-POSITIVE RATES (EMPLOYEES)



The greater the share of employees tested on a periodic or random basis, the lower the test-positive ratios. There is a direct year-to-year correlation between the **increase** in periodic or random testing and the **decrease** in test-positive ratios; with no increase reported in periodic or random testing from last year, test-positive ratios steadied.

POLICIES & TEST-POSITIVE RATES



A further indication of the effect of testing policies on employee test-positive ratios: such rates were nearly twenty times higher in companies that test **only** for cause than in companies that test **only** on a periodic or random basis.

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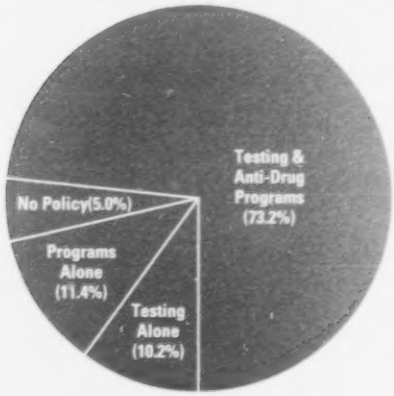
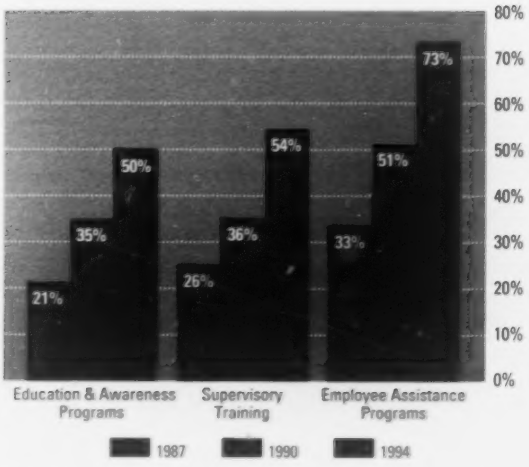
COMBATING WORKPLACE DRUG ABUSE



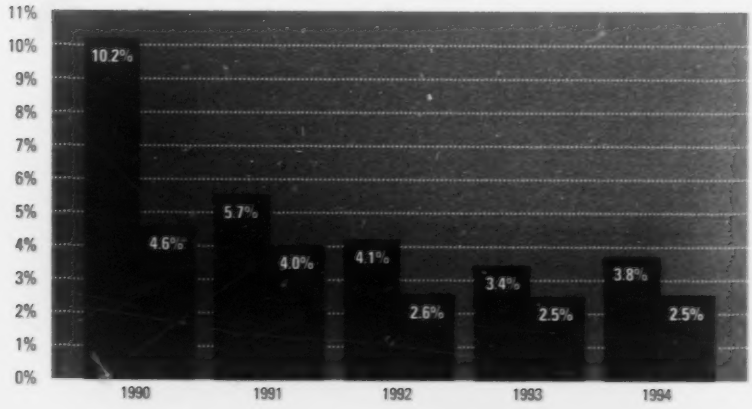
Drug testing is rarely a standalone policy. Only 10% of respondent firms counts on testing alone to deal with employee drug use. A similar number do no testing, but rely on one or more anti-drug initiatives such as drug education and awareness programs, supervisory training, and employee assistance programs (EAPs) to keep the environment drug free — a policy in line with the Drug-Free Workplace Act, which does not mandate testing.

ANTI-DRUG INITIATIVES, 1987-1994



The growth of testing and the decline in test-positive ratios correlate with the growth of anti-drug initiatives other than testing; as with testing itself, the rates of growth slowed in 1993.

EFFECT OF OTHER ANTI-DRUG INITIATIVES ON TEST-POSITIVE RATIOS



Companies that provide one or more of these other initiatives continue to report significantly lower test-positive ratios than companies that rely on testing alone.

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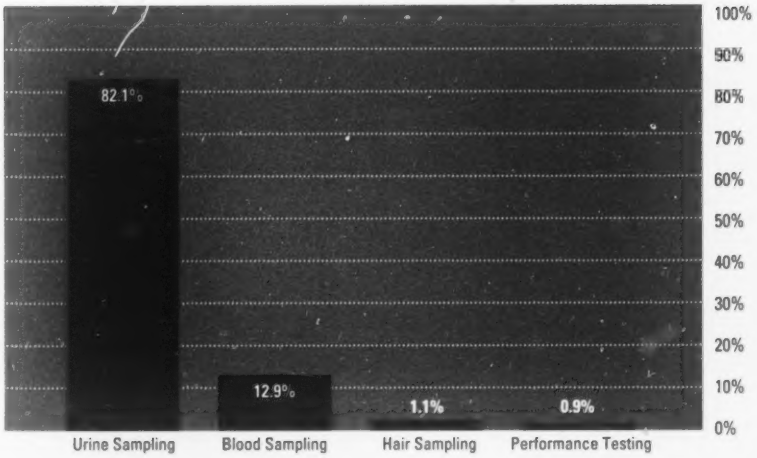
Urine sampling continues to be the preferred method of testing. Hair sampling can discover drug traces for a longer period of time after use. Non-medical performance testing confirms that the test subject is capable of doing job tasks at the time those tasks are to be performed.

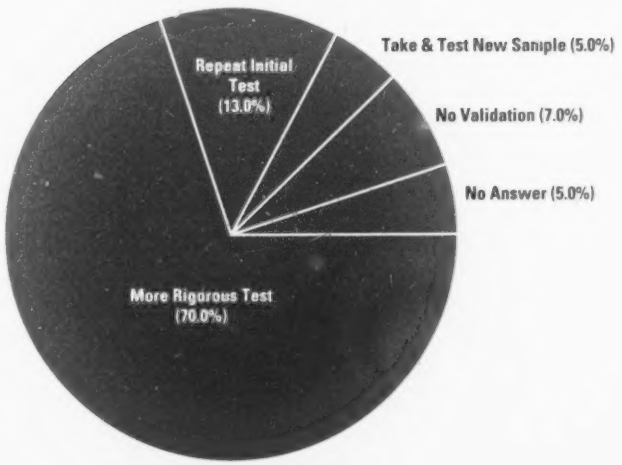
TESTING METHODS EMPLOYED



Recommended procedures for urine sampling provide for a first-screen immunoassay test, with positive findings confirmed by the more sophisticated (and more expensive) gas-chromatography method. A worrisome 25% do not follow this procedure, and 5% do no validation whatsoever.

Moreover, only half (48%) of firms that test use a medical review office (MRO) to analyze test findings, judge them against the test subject's medical history, and render a verdict to the employer — a practice that offers significant protection against false positives, or for users of prescription drugs.

VALIDATION POLICIES



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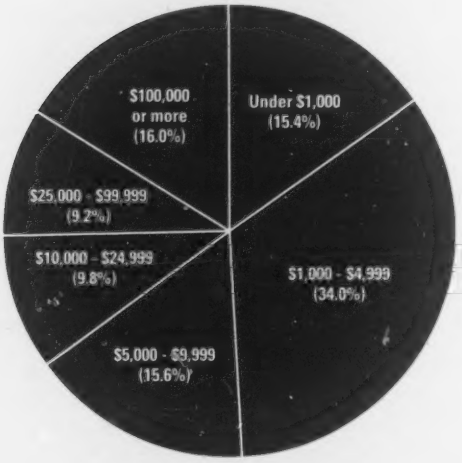
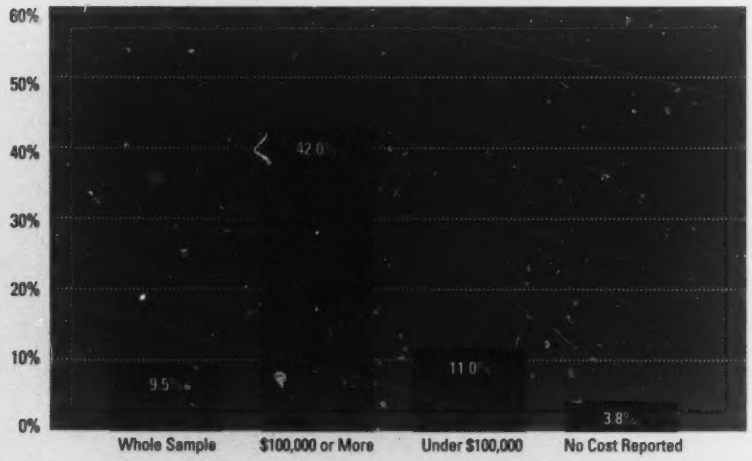
COST OF TESTING, 1993



The average cost of testing in 1993 was $26,765 — a figure greatly affected by the number of people tested (and thus by testing policies) and by the number of test-positives requiring validation. Half the respondent firms spent less than $5,000; the average was pushed up by a relative few (16% of those reporting costs) that spent above $100,000. The average cost per testee was $38.85.

COST-JUSTIFICATION STUDIES — BY 1993 COSTS



Because testing does not constitute a major expense at most firms, few have undertaken a cost-justification study of their testing programs. However, when costs mount, cost-justification studies are common.

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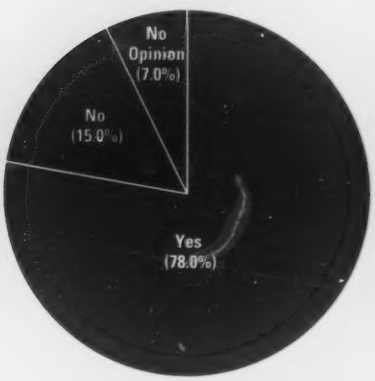
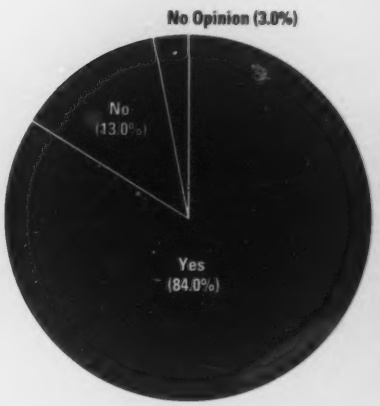
IS TESTING EFFECTIVE?
(1987)

IS TESTING EFFECTIVE?
(1991)



IS TESTING EFFECTIVE?
(1994)



Workplace drug testing has proven its worth to most human resources managers in organizations that practice it. There is little doubt that testing is an effective method of identifying drug users, so long as proper validation methods are employed and the chain of specimen control is assured.

However, no finding of this eight-year AMA survey effort can confirm with statistical certainty that testing deters drug use. Declines in the test-positive ratios reported in earlier years were a function of an ever-widening testing pool and the screening effect of pre-employment testing; as the growth rates in periodic and random testing and in universal pre-employment testing have ebbed, the test-positive ratios have shrunk by finer margins, and in 1993 were unchanged from 1992.

The findings do provide a statistical case that education, training, counseling, and treatment have a measurable effect on drug use. Drug testing, where utilized, ought to be part of a comprehensive policy that includes these other, demonstrably successful initiatives.

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ABOUT THIS SURVEY

AMA's eighth annual survey questionnaire on workplace testing was mailed on January 6, 1994, to human resources managers in AMA-member companies. By March 1, we had received 794 usable questionnaires to form the database for the present study.

The current sample accurately represents AMA's corporate membership of 7,000 U.S. organizations, which in total employ a quarter of the American workforce. It is not a statistically accurate sampling of American corporations as a whole, 98 percent of which gross less than $10 million and/or employ fewer than 50 people.

While not identical to the database in previous years, this self-selecting sample is sufficiently similar to those of previous years to allow statistically valid year-to-year comparisons. Here are the sample profiles for both the 1993 and 1994 surveys; the 1994 sample contains a somewhat greater representation of firms grossing less than $50 million, which, together with the sample's 3.5% margin of error, may account for the slight declines reported in such activities as periodic or random testing of employees and pre-employment testing.

Business Category	1993	1994
Manufacturing	49.2%	48.1%
General Services	18.7%	25.2%
Finance, Insurance, Real Estate	10.8%	7.2%
Business and Professional Services	9.4%	6.9%
Wholesale and Retail Trade	6.0%	6.4%
Transportation	3.3%	3.0%
Public Administration	1.6%	3.2%
Unclassified and Unclassifiable	1.0%	0.0%

Annual Sales*	1993	1994
Under $10 million	6.0%	8.1%
$10 to $49.9 million	20.2%	24.8%
$50 to $249 million	26.4%	24.8%
$250 to $500 million	9.8%	9.6%
More than $500 million	26.5%	19.1%
Not Reported	11.1%	8.3%

* or operating budget, if nonprofit

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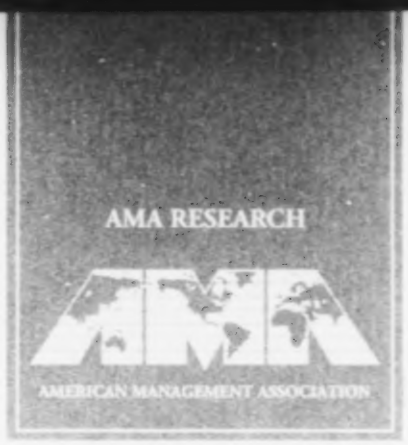

1994 AMA Survey on Basic Skills Testing and Training

A Research Report published
exclusively for corporate members of the
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AMA Research Reports

Eric Rolfe Greenberg, *Director of Management Studies*
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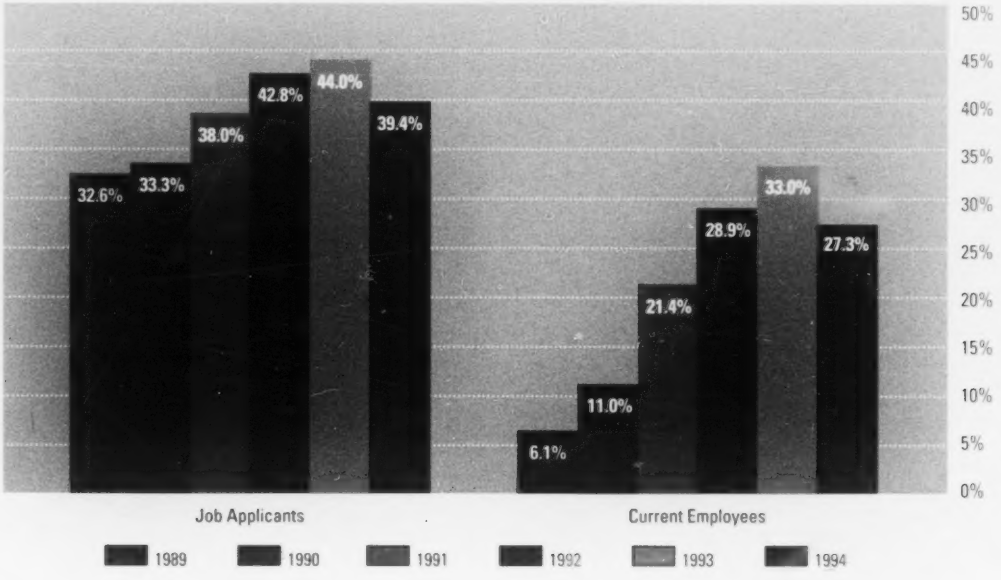
BASIC SKILLS TESTING AND TRAINING

What are "basic skills"? The AMA workplace testing questionnaire defines them as "functional workplace literacy, i.e., the ability to read instructions, write reports, and/or do arithmetic at a level adequate to perform common workplace tasks."

The share of surveyed firms that performs testing in basic reading and/or math skills showed a decrease from 1993 to 1994, but the difference is within the margins of error for both the 1993 and 1994 samples and does not indicate an actual decline in testing practices. It does, however, confirm the lesser growth rates apparent since the onset of the 1990-91 recession.

BASIC SKILLS TESTING



Companies that perform testing on either job applicants or current employees are three times as likely to sponsor remedial training programs than companies that do no testing. An awareness of the dimensions of the problem is the first step towards providing solutions.

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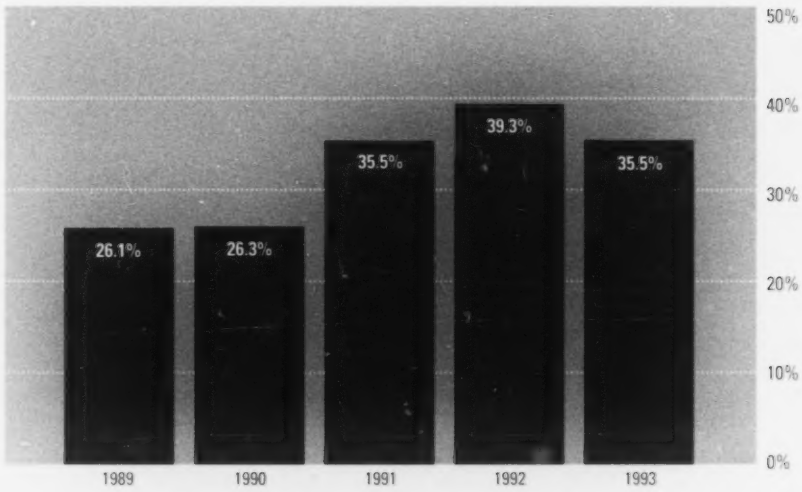
Summary of Key Findings

Job Applicant Testing: AMA respondent firms tested over 65,000 job applicants in 1993, and for the third consecutive year more than one-third of those tested proved deficient in basic reading and/or math skills.

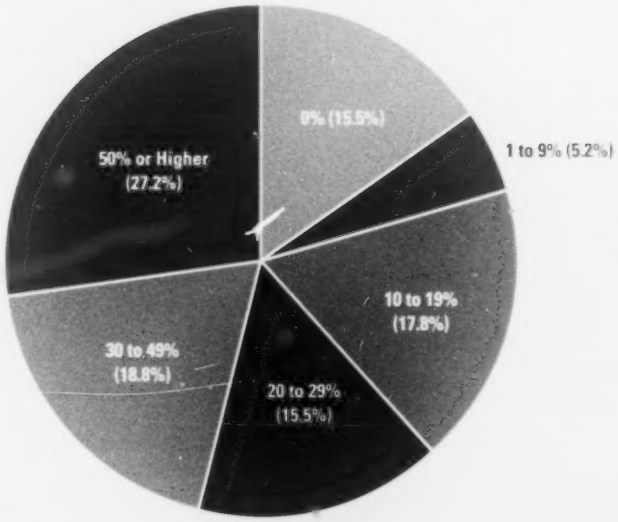
DEFICIENCY RATES — APPLICANTS



While the *overall* deficiency rate was 35.5%, the *mode*, or most frequently reported rate, was in the 10-19% range, and the *median* — half the sample reporting above the mark, and half below — was 25%. Of those reporting a zero deficiency rate, none tested more than 100 applicants.

Deficiency rates were highest in the public sector, where 47% of those applying for public administration or government jobs lacked the basic skills necessary to perform those jobs. In the private sector, deficiency rates were highest among manufacturers (42%), lowest among suppliers of business and professional services (13%).

RANGE OF DEFICIENCY RATES



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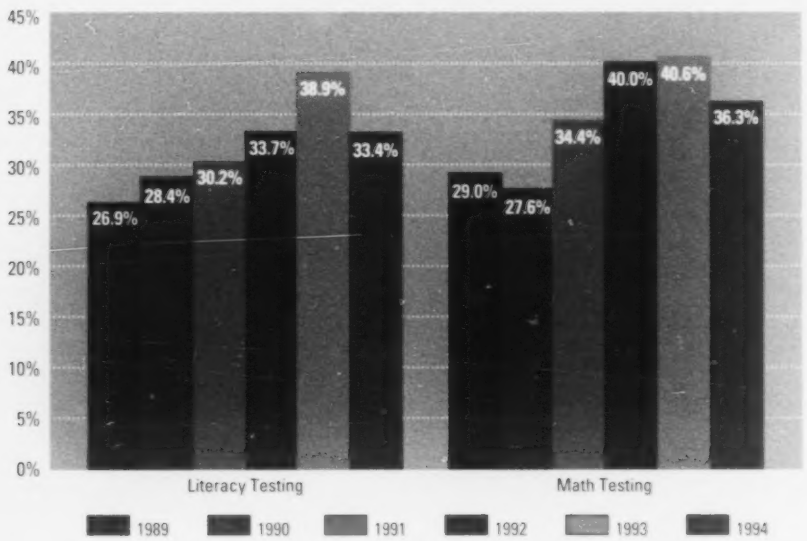
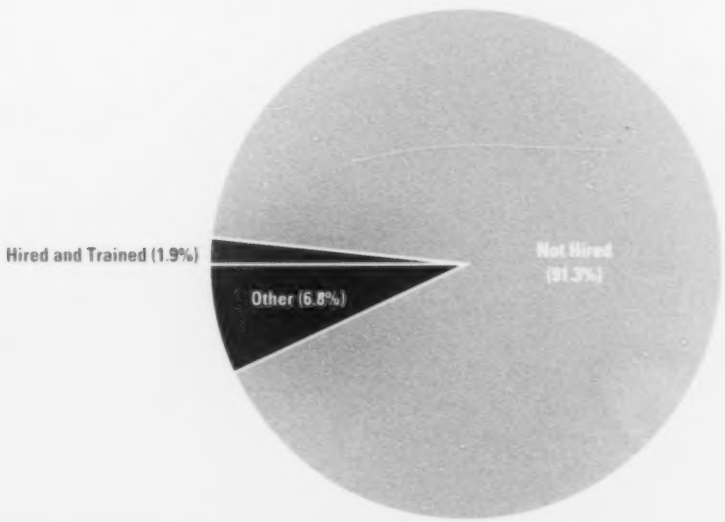
JOB APPLICANT TESTING, 1989-1994



By a slight margin, applicants are more likely to be tested in math skills than in reading and writing. Only nine percent of respondent firms test *all* job applicants in literacy skills, and seven percent test all applicants in math; the remainder select applicants according to such criteria as job category (28%) or minimum completed school grade (2%).

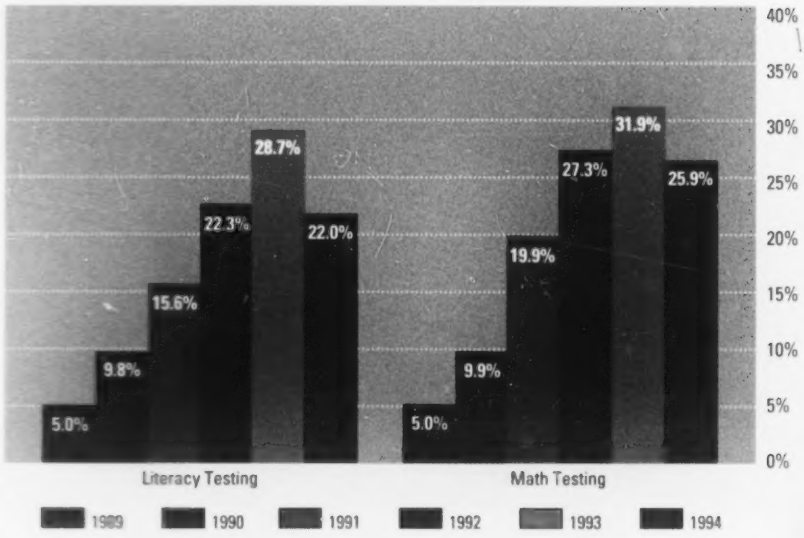
ACTION ON SKILLS-DEFICIENT APPLICANTS



In a "buyer's market" for labor, most companies find it more economical to test applicants until a sufficient number of qualified workers are found, rather than to hire skills-deficient job seekers and train them. "Other" policies include re-testing at a later date.

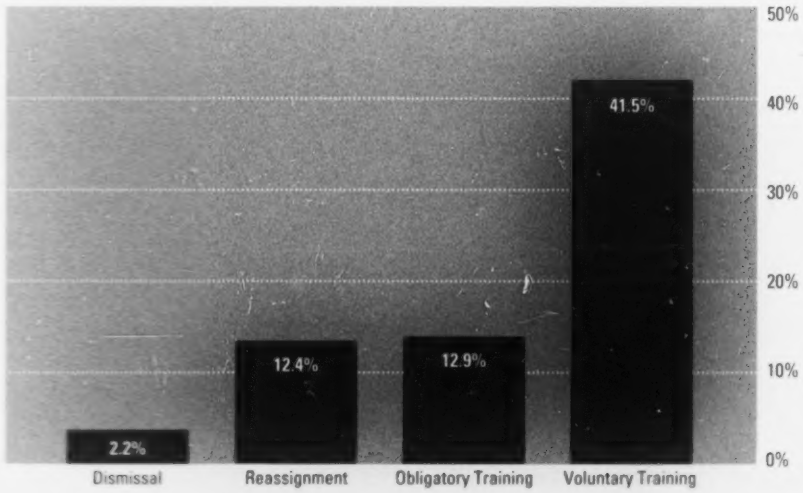
Employee Testing: After five years of steady increase, skills testing of current employees showed a decline over the past year. The difference in the 1993 and 1994 figures are at the limits of the margins of error for both years' samples. As is the case in applicant testing, current employees are more likely to be tested in math than in literacy.

BASIC SKILLS TESTING — EMPLOYEES

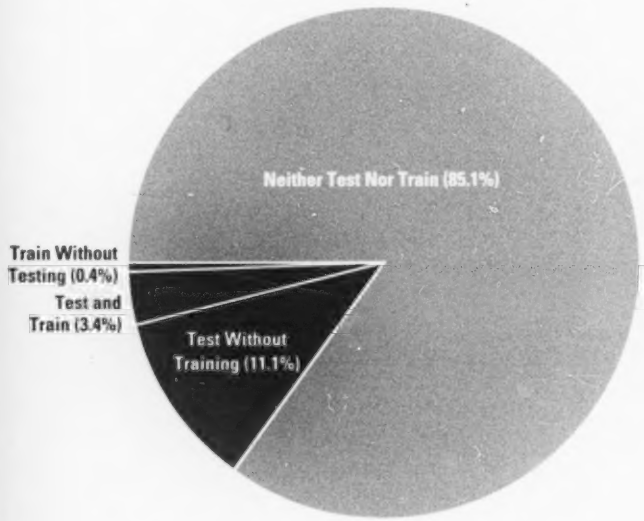


ACTION ON SKILLS-DEFICIENT EMPLOYEES
(AMONG COMPANIES THAT TEST EMPLOYEES)

Nearly half of the firms that test employees sponsor remedial training programs, but training is far more likely to be offered on a voluntary basis than mandated. There was an increase in the number of firms that reassign skills-deficient workers, to 12.4% from 8.2%.

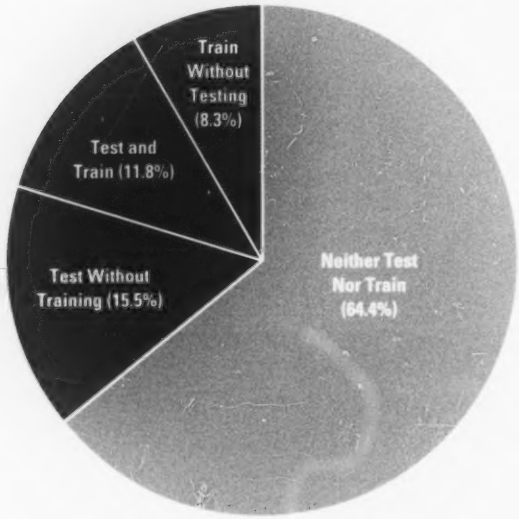


POLICY OPTIONS, EMPLOYEES (1989)



Since 1989 the share of firms that both test employees and sponsor remedial training programs has tripled, but even today fewer than half the companies that test employees offer such training.

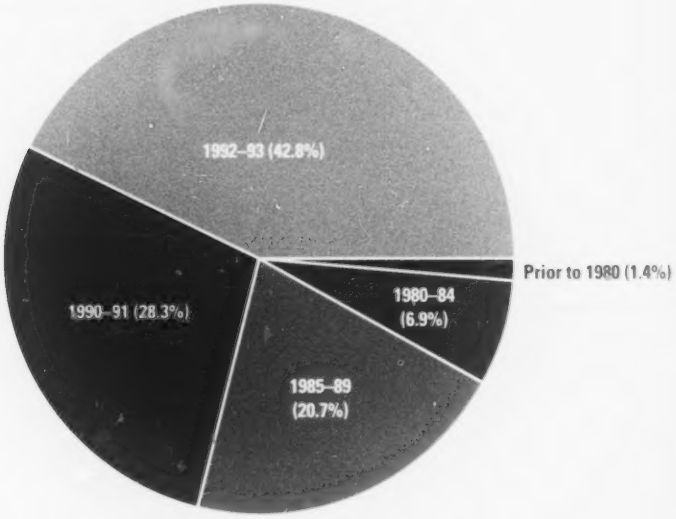
POLICY OPTIONS, EMPLOYEES (1994)



Larger companies lead in employee testing: 34% of firms grossing $500 million or more perform such testing, compared with 26% of smaller firms. Large companies also lead in sponsoring remedial training programs, but by a lesser margin (24% vs. 20%).

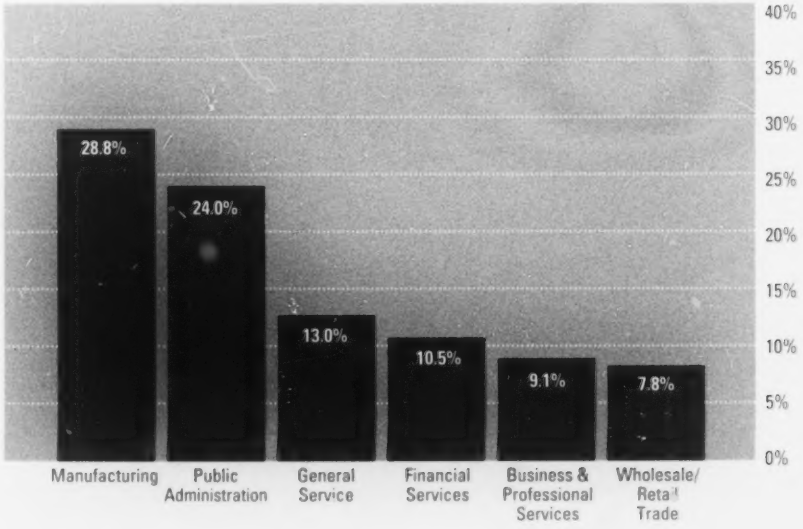
Corporate remedial training is a growth industry: 70% of reported programs are less than five years old. Overall, 20.2% of surveyed firms sponsor remedial training programs.

YEAR IN WHICH REMEDIAL TRAINING BEGAN

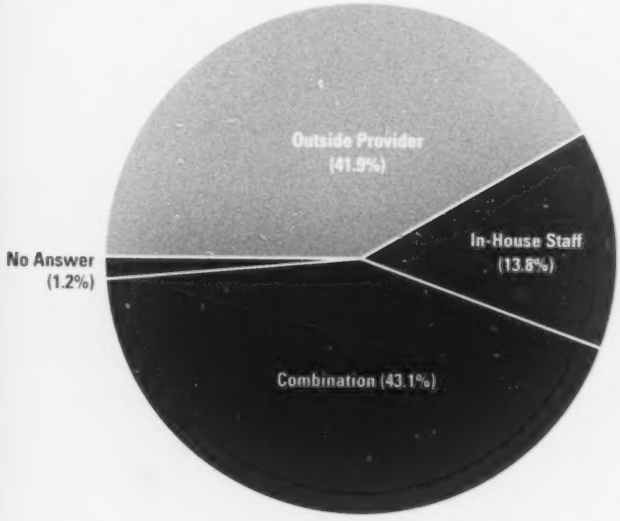


Patterns change dramatically from industry to industry. Manufacturers, which report high deficiency rates among job applicants (42%), also lead in offering remedial training; general service firms, with similarly high rates (41%), do comparatively little training.

REMEDIAL TRAINING PROGRAMS BY INDUSTRY

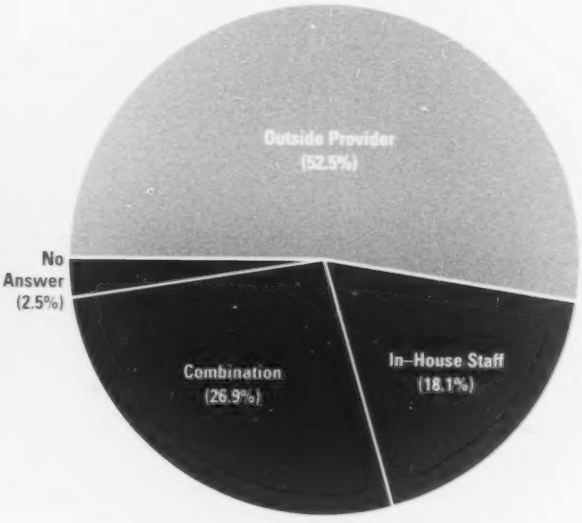


PROGRAM DESIGN



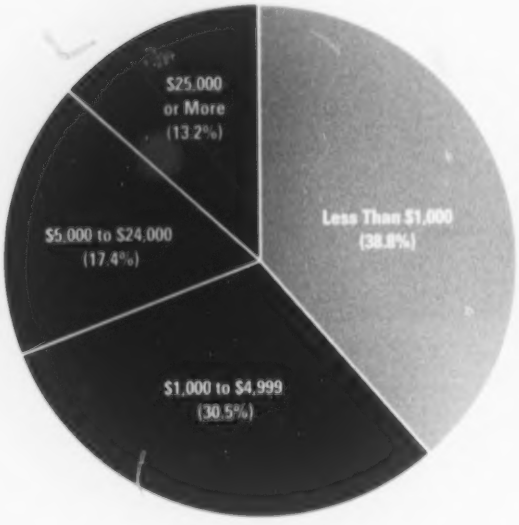
Experts in adult education advise that training works best when it relates directly to actual job requirements. They recommend that employers take a hand in customizing remedial training programs to fit the company and its workers.

PROGRAM DELIVERY



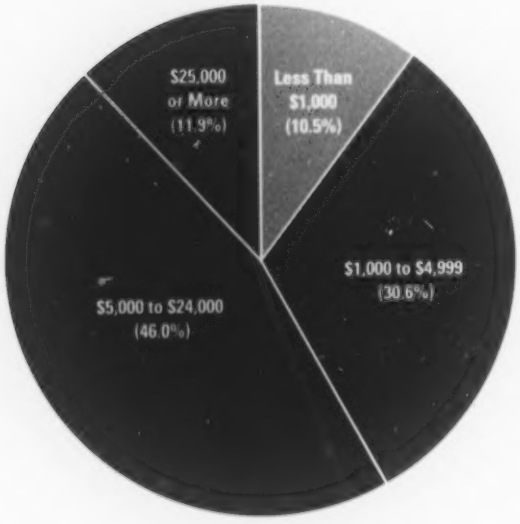
But the trend is running the other way. Half of the remedial training programs that have come on line since 1990 were designed entirely by outside providers, compared with just 29% of those begun prior to 1990. By a lesser margin, newer programs (57%) are more likely to be delivered by outside providers than older ones (50%).

1993 TESTING COSTS



Testing and training costs are, of course, a function of the number of people tested and trained. While the average cost of testing in 1993 was $13,066 among all respondents that test, 39% spent less than $5,000, and 39% spent less than $1,000.

1993 TRAINING COSTS



Training costs are not easily determined, due to different accounting procedures: some firms include trainer salaries and training space overhead, some do not. The average program cost in 1993 was $20,024. A better guideline is the cost per trainee, which averaged $244.

ABOUT THIS SURVEY

AMA's eighth annual survey questionnaire on workplace testing was mailed on January 6, 1994, to human resources managers in AMA-member companies. By March 1, we had received 794 usable questionnaires to form the database for the present study.

The current sample accurately represents AMA's corporate membership of 7,000 U.S. organizations, which in total employ a quarter of the American workforce. It is not a statistically accurate sampling of American corporations as a whole, 98 percent of which gross less than $10 million and/or employ fewer than 50 people.

While not identical to the database in previous years, this self-selecting sample is sufficiently similar to those of previous years to allow statistically valid year-to-year comparisons. Here are the sample profiles for both the 1993 and 1994 surveys; the 1994 sample contains a somewhat greater representation of firms grossing less than $50 million, which, together with the sample's 3.5% margin of error, may account for the slight declines reported in basic skills testing of both employees and job applicants.

Business Category	1993	1994
Manufacturing	49.2%	48.1%
General Services	18.7%	25.2%
Finance, Insurance, Real Estate	10.8%	7.2%
Business and Professional Services	9.4%	6.9%
Wholesale and Retail Trade	6.0%	6.4%
Transportation	3.3%	3.0%
Public Administration	1.6%	3.2%
Unclassified and Unclassifiable	1.0%	0.0%

Annual Sales*	1993	1994
Under $10 million	6.0%	8.1%
$10 to $49.9 million	20.2%	24.8%
$50 to $249 million	26.4%	24.8%
$250 to $500 million	9.8%	9.6%
More than $500 million	26.5%	19.1%
Not Reported	11.1%	8.3%

* or operating budget, if nonprofit

A2075-2.2.04

1994 AMA Survey on HIV- and AIDS-Related Policies

A Research Report published
exclusively for corporate members of the
American Management Association

AMA Research Reports

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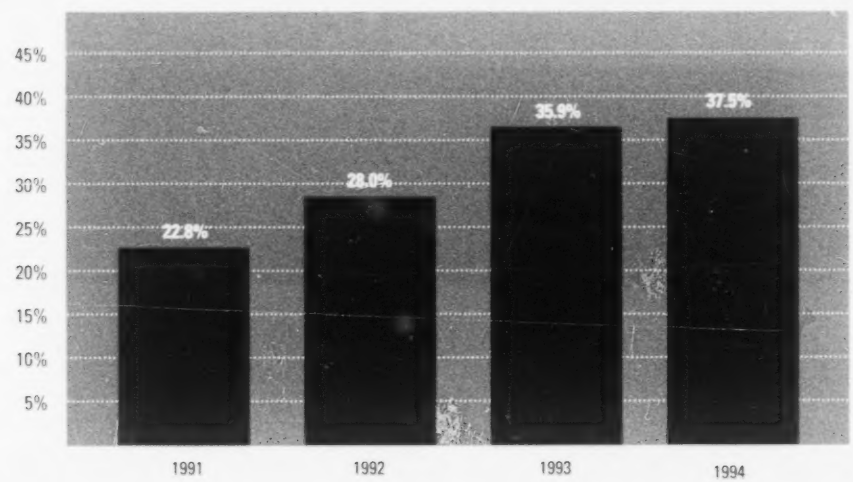
HIV- AND AIDS-RELATED POLICIES

By January 1994, more than a third of major U.S. corporations had dealt with at least one employment situation relating to actual or perceived cases of HIV infection or AIDS—a 65% increase over the 1991 finding of 22.8%. These figures represent cumulative experience up to January of the given year, rather than cases reported year-by-year.

REPORT CASES OF HIV INFECTION OR AIDS



HIV infection is not synonymous with AIDS. The Human Immunodeficiency Virus (HIV) is present in people who have been exposed to the Acquired Immuine Deficiency Syndrome (AIDS), but by no means do all HIV-positive people have the actual disease—although experience shows that they will develop it at some time in the future.

Three-quarters of the 794 respondent firms have reexamined their human resources and health care policies in light of the AIDS epidemic, but the data continues to indicate that experience is driving policy—that is, that companies are reacting to actual instances of HIV infection or AIDS, rather than developing policies before the first case strikes in the workplace.

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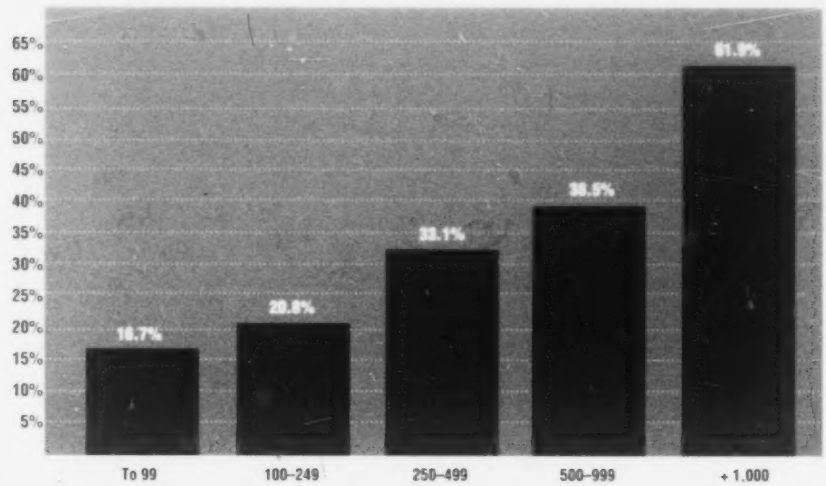
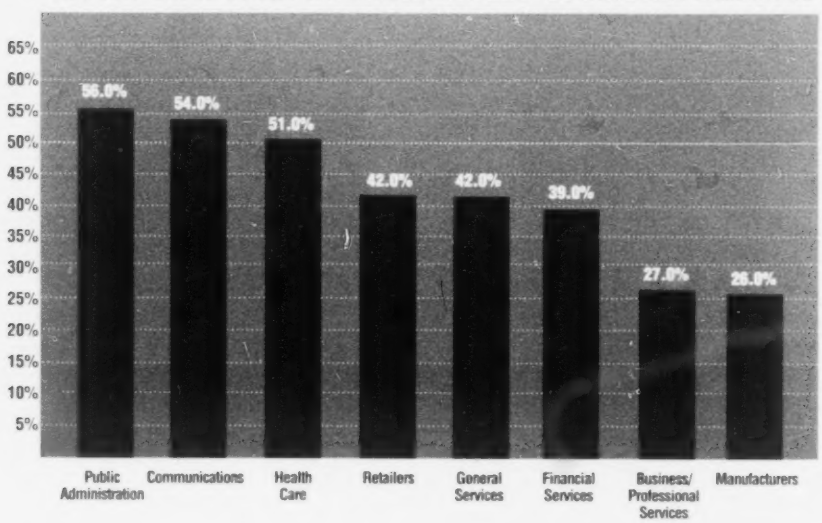
Naturally, the more people a company employs or considers for hire, the more likely it is to face an employment situation related to HIV infection or AIDS. Among the smallest firms surveyed, only one in six reports such experience; among the largest, it is common.

REPORT CASES OF HIV INFECTION OR AIDS – BY NUMBER OF EMPLOYEES



REPORT CASES OF HIV INFECTION OR AIDS – BY BUSINESS CATEGORY



Higher-than-average instances of HIV infection or AIDS were reported in the public sector (56%), and in such industries as communications (54%), health care (51%), and retailing (42%). In contrast, manufacturers and providers of business and professional services were below the national average.

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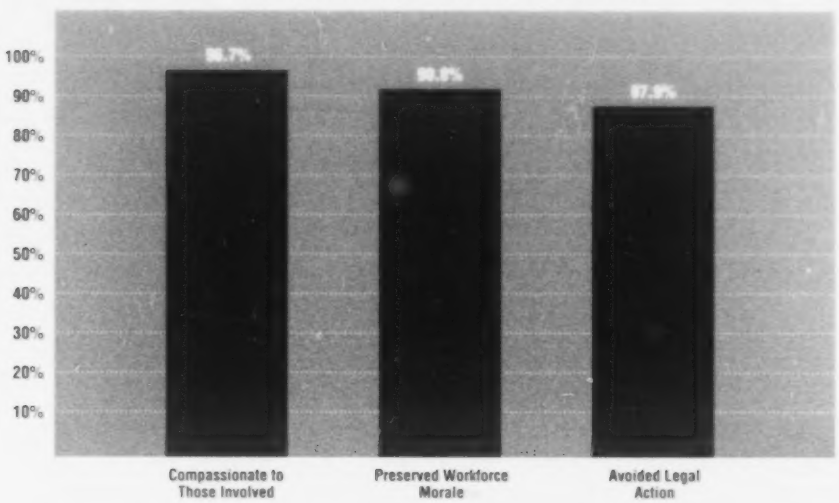
HIV INFECTION OR AIDS: OUTCOMES



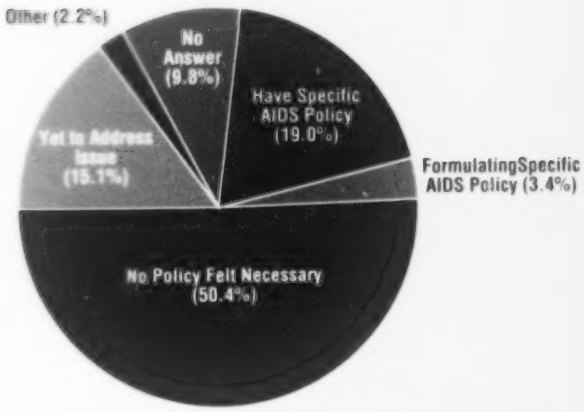
Dealing with HIV Infection or AIDS: Respondent firms consider themselves successful in addressing employment situations relating to HIV infection or AIDS insofar as they concern compassionate response, workforce morale, and protecting the company from potential legal action.

The 91% positive response to the question, "Did the organization deal with HIV or AIDS-related cases in a way that preserved the morale of the workforce?" is an increase from the previous year's finding of 84%.

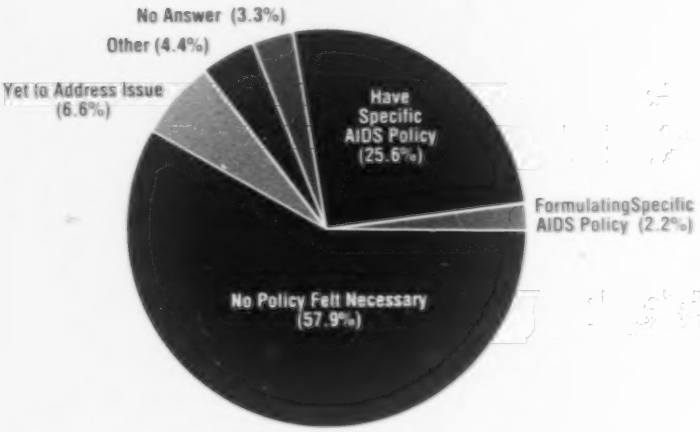
AIDS-Related Policies: Three-quarters of the companies surveyed have examined their personnel and health care policies with specific regard to HIV infection and AIDS. A majority have decided that no specific AIDS policy is necessary; they deal with AIDS-related cases as with any other catastrophic illness.

Still, companies that have actually dealt with HIV infection or AIDS are far more likely to have a specific AIDS policy in effect. Note also that 90% of companies reporting HIV or AIDS cases have reviewed their policies, compared with 72% of others.

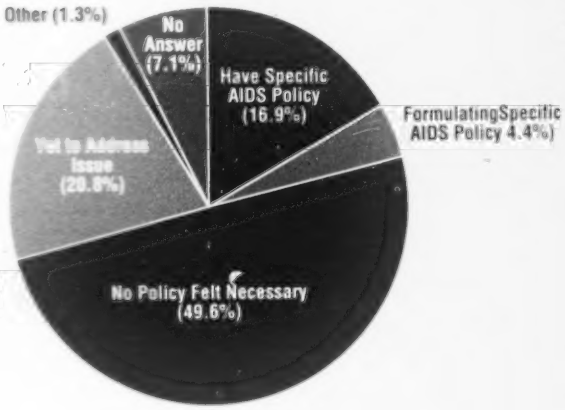
AIDS-RELATED POLICIES


Other (2.2%)
No Answer (9.8%)
Have Specific AIDS Policy (19.0%)
Yet to Address Issue (15.1%)
FormulatingSpecific AIDS Policy (3.4%)
No Policy Felt Necessary (50.4%)

COMPANIES THAT HAVE DEALT WITH HIV/AIDS


No Answer (3.3%)
Other (4.4%)
Yet to Address Issue (6.6%)
Have Specific AIDS Policy (25.6%)
FormulatingSpecific AIDS Policy (2.2%)
No Policy Felt Necessary (57.9%)

COMPANIES THAT HAVE NOT DEALT WITH HIV/AIDS


Other (1.3%)
No Answer (7.1%)
Have Specific AIDS Policy (16.9%)
FormulatingSpecific AIDS Policy 4.4%)
Yet to Address Issue (20.8%)
No Policy Felt Necessary (49.6%)

Laura Long, who studies workplace issues for the Gay Men's Health Crisis, points out that while health care policies may need no special revisions, work accommodations and interactions with colleagues may indeed require special attention.

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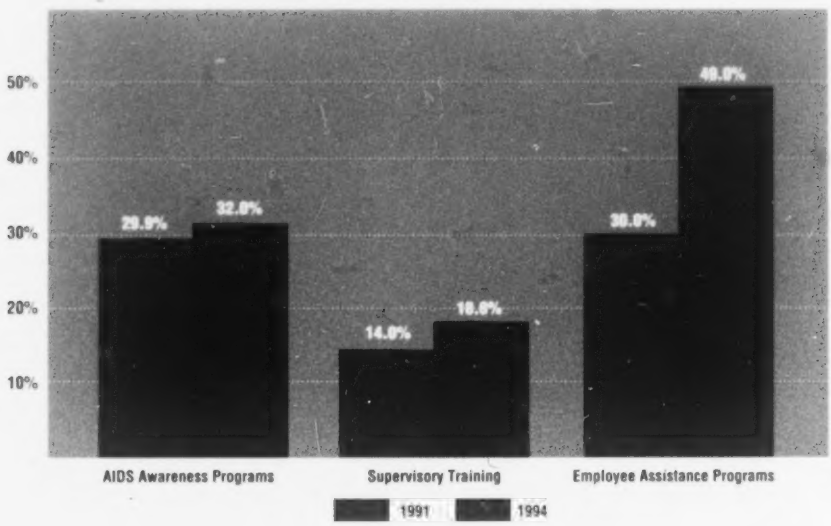
WORKPLACE INITIATIVES



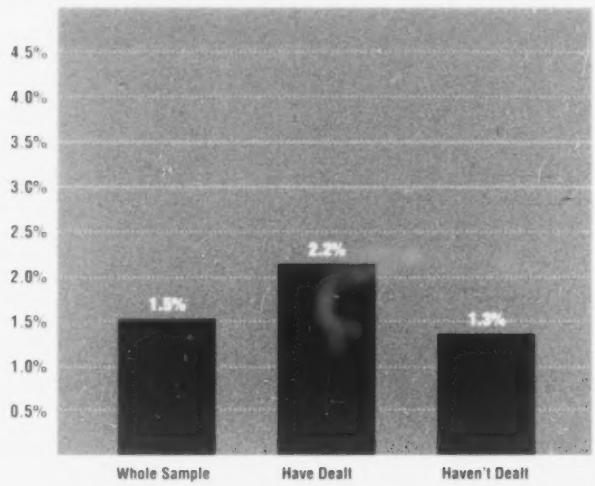
Programs: Although a significant number of respondent firms have undertaken initiatives that deal with AIDS as a workplace issue--awareness programs for employees, supervisory training, and employee assistance programs for people with AIDS and their families—there has been little increase since 1991 in the first two, and the growth in EAPS has not kept pace with the rise in incidences of HIV or AIDS in the workplace.

Companies that have dealt with HIV or AIDS cases are twice as likely to sponsor AIDS awareness programs (48%, compared with 25% of other firms), and three times more likely to provide supervisory training (34% vs. 11%). Two-thirds of respondent firms that have dealt with HIV or AIDS cases sponsor EAPS with AIDS counselling, compared with 43% of others.

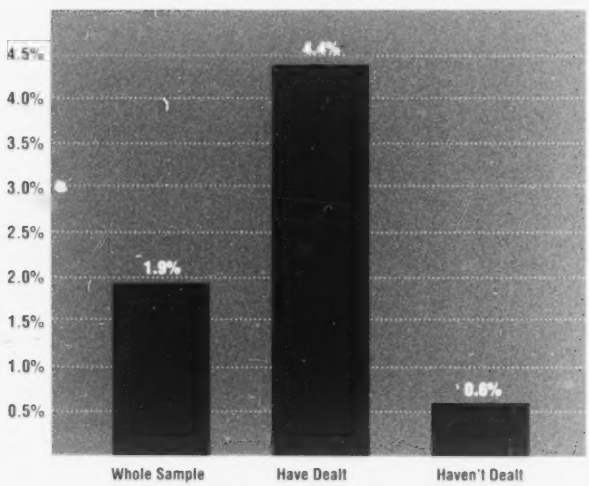
Testing for the HIV Virus: No test exists for AIDS *per se*. What is often called an "AIDS test" in fact tests for the presence of antibodies to the HIV virus.

Few companies perform compulsory HIV testing, and those with such a requirement often test only if the employee may have been exposed to the virus in the course of his or her duties (for example, health care workers and police officers).

HIV TESTING: EMPLOYEES



HIV TESTING: NEW HIRES



Although companies that have HIV or AIDS experience are far more likely to test both employees and new hires, the data finds no cause-and-effect relationship. Instead, corporate size is the determining factor: large companies are more likely to perform testing, and large companies are more likely to have dealt with HIV infection or AIDS (see page 2).

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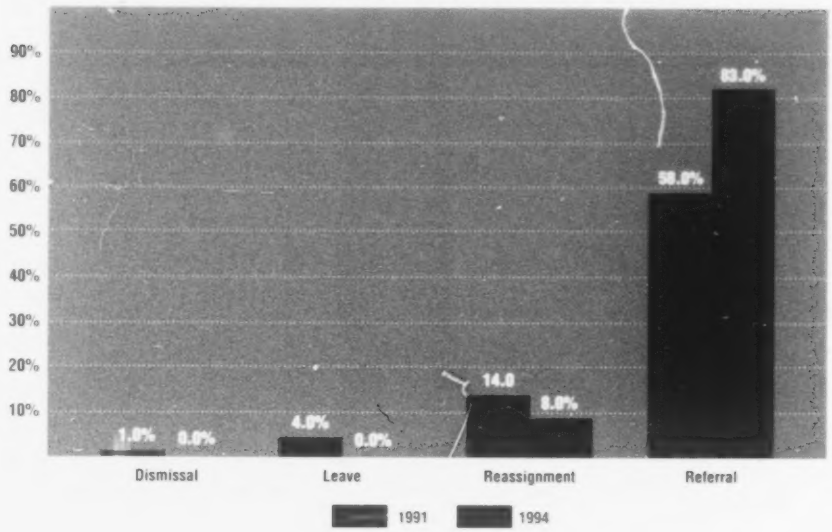
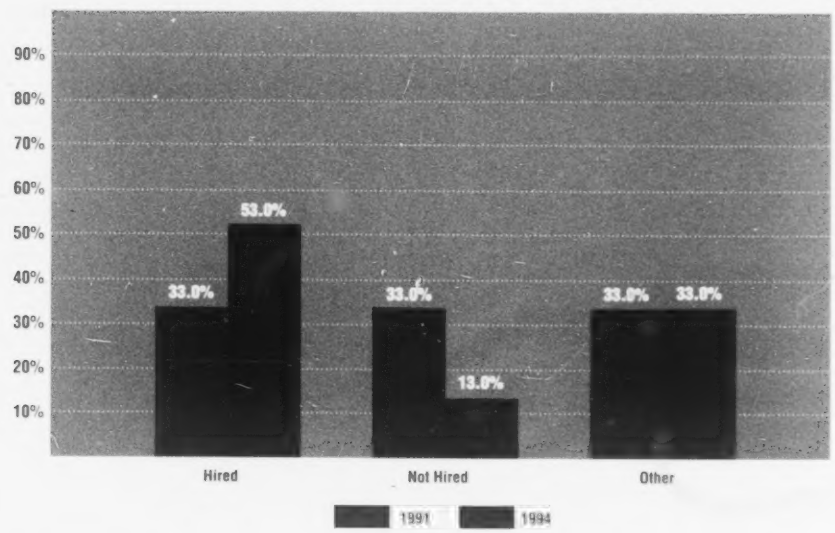
Legal protections offered to HIV-positive employees ensure that no surveyed company now dismisses an HIV-positive worker. The share that reassigns such employees is also down from 1991, while the number of firms that refer HIV-positive workers for counselling and treatment has increased dramatically.

ACTION ON TEST–POSITIVE EMPLOYEES



ACTION ON TEST–POSITIVE NEW HIRES



Likewise, far fewer companies refuse to hire HIV-positive job applicants. "Other" actions include assigning such new hires to positions other than those for which they originally aimed.

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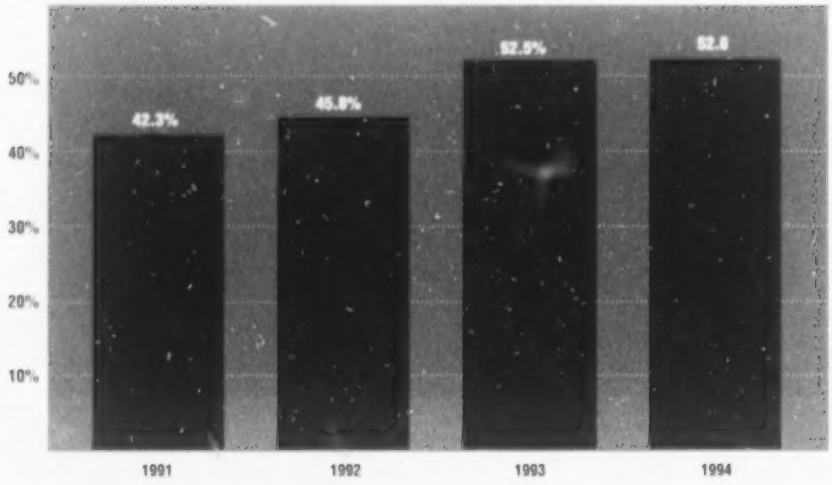
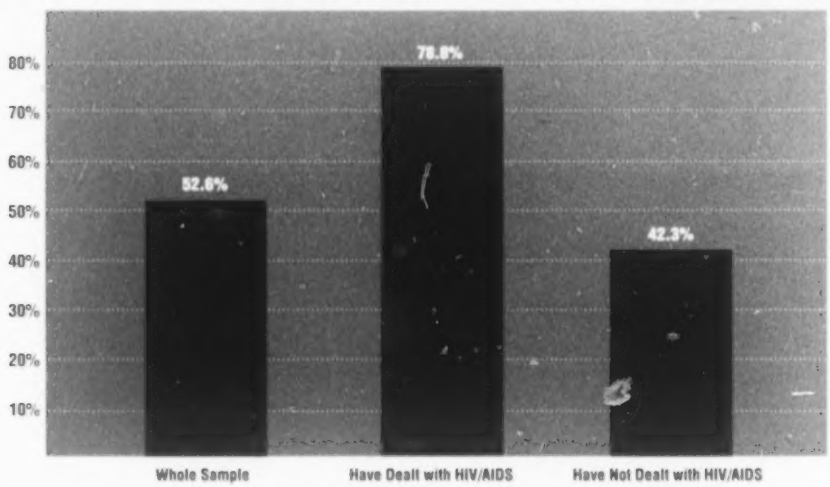
Preparation for the Future: The share of firms that say they are prepared (with policy provisions, educational materials, and other resources) to deal with future cases of HIV infection or AIDS has plateaued at just over 50%.

PREPARED TO DEAL WITH FUTURE CASES



PREPARED TO DEAL WITH FUTURE CASES—BY PAST EXPERIENCE



Companies with experience in dealing with the HIV infection or AIDS are nearly twice as likely as others to declare themselves prepared for future cases.

The data indicates that companies are more active in AIDS *identification* and *treatment* than in AIDS *prevention*. Compassionate response is laudable, but the workplace—like the wider society—can profit from proactive policies such as education and awareness programs.

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Finance, Insurance, Real Estate	7.2%
Business and Professional Services	6.9%
Wholesale and Retail Trade	6.4%
Transportation	3.0%
Public Administration	3.2%
Unclassified and Unclassifiable	0.0%

Annual Sales*	1994
Under $10 million	8.1%
$10 to $49.9 million	24.8%
$50 to $249 million	24.8%
$250 to $500 million	9.6%
More than $500 million	19.1%
Not Reported	8.3%

* or operating budget, if nonprofit